

August 11, 1998 **AUG 21 1998**

**FCC MAIL ROOM**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, DC 20554

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of West River Telecommunications Cooperative in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

If you have any questions, please call me at 701-748-2211.

Sincerely,

Robert A. Barfield  
General Manager

RAB/co  
Enc.

cc: Competitive Pricing Division  
Common Carrier Bureau  
1919 M Street NW - Room 518  
Washington, DC 20554

International Transcription Service  
1231 20th Street NW  
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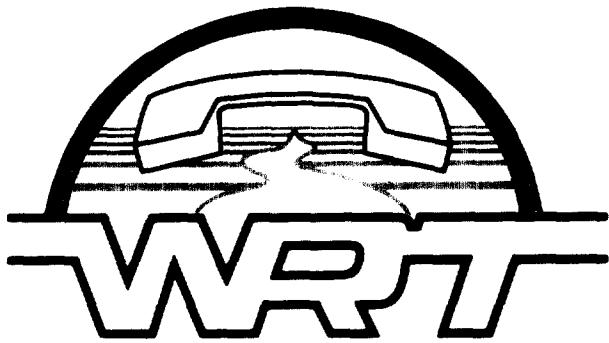
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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of )  
  
Access Charge Reform for Incumbent ) CC Docket No. 98-77  
Local Exchange Carriers Subject to )  
Rate-of-Return Regulation )

### **Comments of West River Telecommunications Cooperative**

West River Telecommunications Cooperative is a small rural local exchange carrier serving 18,700 access lines in the states of North Dakota and South Dakota. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NPRM) for access reform for rate-of-return incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision the Billing & Collection service using their own computers, it is not appropriate for the small rural LECs that rely heavily on service bureaus for the provisioning of this

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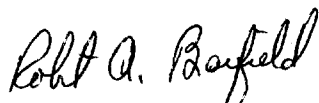
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service. Small LECs have very little opportunity to reduce billing & collection costs because they are dependent on outside service bureaus for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXC's.

In 1996 West River Telecommunications Cooperative had \$113,760 revenue for the interstate billing and collection service compared to a cost of \$104,063 resulting in a profit of \$9,697 before the OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 costs results in an interstate billing and collections cost of \$142,568 which changes the profit to a loss on the service of \$28,808. Taking this analysis the next step and folding in the proposed GSF change results in a cost assigned to interstate billing and collection of \$213,629, increasing the loss on the service to \$99,869.

We ask the Commission to reject the proposed change which would jeopardize the billing and collection service currently provided to interexchange carriers.

Sincerely,

A handwritten signature in cursive script, reading "Robert A. Barfield".

Robert A. Barfield  
General Manager

RAB/co  
Enclosures